

Message Text

UNCLASSIFIED

PAGE 01 STATE 224058

10

ORIGIN EB-03

INFO OCT-01 NEA-06 ISO-00 L-02 CAB-01 CIAE-00 COME-00

DODE-00 DOTE-00 INR-10 NSAE-00 RSC-01 FAA-00 /024 R

DRAFTED BY EB/AN:WBCOBB:TP

APPROVED BY EB/AN:MHSTYLES

NEA/PAB:GJONES

----- 081016

R 102223Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

INFO AMCONSUL KARACHI

UNCLAS STATE 224058

E.O. 11652: N/A

TAGS: EAIR, PK

SUBJECT: CIVAIR - BILATERAL NEGOTIATIONS

1. FOLLOWING IS TEXT AGREED MEMORANDUM CONSULTATIONS
FOLLOWING US-PAKISTAN TALKS WHICH ENDED OCTOBER 9.

(1) REPRESENTATIVES OF THE GOVERNMENTS OF PAKISTAN AND
THE UNITED STATES MET FOR CONSULTATIONS IN WASHINGTON, DC
ON OCTOBER 1-9, 1974, AT THE REQUEST OF THE GOVERNMENT OF
PAKISTAN UNDER THE PROVISIONS OF ARTICLE X(B) OF THE AIR
SERVICES AGREEMENT BETWEEN THE UNITED STATES AND PAKISTAN
FOR THE PURPOSE OF DISCUSSING A PAKISTAN REQUEST FOR A
ROUTE ACROSS THE PACIFIC TO THE WEST COAST OF THE UNITED
STATES. LISTS OF DELEGATION MEMBERS ARE ATTACHED.

(2) REPRESENTATIVES OF BOTH COUNTRIES AGREED THAT
EQUALITY OF OPPORTUNITY IS THE OBJECTIVE AND INTENT OF
THE AIR SERVICES AGREEMENT. THEY FURTHER AGREED THAT IN
CALENDAR YEAR 1973 THE DESIGNATED CARRIER OF THE UNITED
STATES EARNED 7.1 MILLION DOLLARD IN REVENUES AND THE
DESIGNATED CARRIER OF PAKISTAN EARNED 6.4 MILLION DOLLARS--
A DIFFERENCE OF 700,000 DOLLARS IN FAVOR OF THE UNITED
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 224058

STATES CARRIER UNDER THE AIR SERVICES AGREEMENT. THE

PAKISTAN DELEGATION FURTHER STATED THAT ACCORDING TO ITS DATA THE DESIGNATED CARRIER OF THE UNITED STATES RECEIVED IN ADDITION APPROXIMATELY 1 MILLION DOLLARS MORE THAN THE DESIGNATED CARRIER OF PAKISTAN FROM THE CARRIAGE OF MAIL UNDER THE AGREEMENT. THE US DELEGATION, LACKING SEPARATE DATA ON MAIL REVENUES, WAS NOT IN A POSITION TO EVALUATE THESE FIGURES. THE US DELEGATION FURTHER STATED THAT MAIL REVENUES HAVE NOT TRADITIONALLY BEEN INCLUDED IN DISCUSSIONS CONCERNING THE BALANCE OF BENEFITS. THE PAKISTAN DELEGATION QUESTIONED THIS PRACTICE AND ASKED FOR CLARIFICATION.

(3) THE REPRESENTATIVES OF PAKISTAN URGED THAT THERE IS AN INHERENT IMBALANCE IN THE ROUTE ANNEX TO THE EXISTING AIR SERVICES AGREEMENT BETWEEN PAKISTAN AND THE UNITED STATES IN FAVOR OF THE DESIGNATED CARRIER OF THE UNITED STATES. WHEREAS PAN AM CAN OPERATE BOTH FROM THE EAST COAST AS WELL AS THE WEST COAST OF THE UNITED STATES TO/ THROUGH PAKISTAN, PIA CAN ONLY OPERATE FROM PAKISTAN TO THE EAST COAST OF THE UNITED STATES. THE PAKISTAN DELEGATION POINTED OUT THAT THEIR FIGURES FOR PASSENGER REVENUES FOR 1974 (JANUARY-AUGUST) FURTHER INDICATED THAT THE IMBALANCE HAS MARKEDLY INCREASED. THE PAKISTAN REPRESENTATIVES URGED THAT THE ECONOMIC IMBALANCE IN FAVOR OF THE UNITED STATES ALSO REQUIRES AN ADJUSTMENT OF RIGHTS UNDER THE AGREEMENT TO GRANT PAKISTAN A ROUTE TO SAN FRANCISCO AS A WEST COAST GATEWAY. THE PAKISTAN REPRESENTATIVES URGED THAT SUCH A REVISION WOULD BE CONSISTENT WITH THE PRINCIPLE OF EQUALITY OF OPPORTUNITY AND WOULD HELP TO RECTIFY THE EARNINGS IMBALANCE. THE PAKISTAN DELEGATION NOTED THAT THE PROPOSED REVISION WOULD BE CONSISTENT WITH THE SPIRIT OF FRIENDSHIP BETWEEN THE TWO COUNTRIES AND THE US ASSURANCES THAT IT WOULD COOPERATE TO ASSIST PAKISTAN IN PROMOTING ITS ECONOMIC DEVELOPMENT.

(4) REPRESENTATIVES OF THE UNITED STATES TOOK THE POSITION THAT THE IMBALANCE WAS MARGINAL AND DID NOT JUSTIFY ADJUSTMENT OF THE COUNTRIES' RIGHTS UNDER THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 224058

AGREEMENT. THEY CONTENDED THAT, ALTHOUGH PAN AM INCREASED ITS REVENUES DURING 1973 AS COMPARED TO 1972, A BALANCE OF ECONOMIC OPPORTUNITIES EXISTS, AND NOTED THAT THE REVENUE RESULTS MIGHT BE REVERSED IF PIA WERE TO OPERATE AN ADDITIONAL FREQUENCY OVER THE EXISTING ROUTE TO NEW YORK. THE US DELEGATION WAS UNABLE TO VERIFY THE ACCURACY OF THE PAKISTAN'S ESTIMATE OF PAN AMERICAN

PASSENGER REVENUES FOR 1974 (JANUARY-AUGUST) AS IT HAD NO DATA AVAILABLE. THE US DELEGATION RECOGNIZED THAT BECAUSE OF THE DISTANCES BETWEEN THE TWO COUNTRIES, FIFTH FREEDOM TRAFFIC PLAYS A MAJOR ROLE IN OPERATIONS UNDER THE AGREEMENT. THE US REPRESENTATIVES CONTENDED, HOWEVER, THAT THE ADDITION OF A TRANSPACIFIC ROUTE FROM PAKISTAN TO A WEST COAST POINT WOULD RESULT IN A MARKED IMBALANCE IN FAVOR OF PAKISTAN AT A DIFFICULT TIME OF ECONOMIC CRISIS FOR THE U.S. DESIGNATED CARRIER. CONSEQUENTLY, THE US REPRESENTATIVES WOULD NOT AGREE TO THE ADDITION OF A WEST COAST ROUTE TO THE AGREEMENT AT THIS TIME.

(5) IN THE DISCUSSION OF PIA'S PROPOSED OPERATING PLANS, THE US NOTED THAT PAKISTAN HAD NOTIFIED ITS INTENTION OF ADDING POINTS ON THE TRANSATLANTIC ROUTE, UNDER THE PROVISIONS OF ARTICLE X(D). THE US DELEGATION STATED THE POSITION THAT THIS ARTICLE WAS NOT DESIGNED TO PROVIDE SIGNIFICANT ADDITIONAL RIGHTS TO EITHER PARTY. THE PAKISTAN DELEGATION MAINTAINED THAT THE VALIDITY OF THE TERMS OF ARTICLE X(D) HAD BEEN CONFIRMED BY BOTH PARTIES IN CONSULTATIONS HELD IN NOVEMBER 1967. THE US DELEGATION OBSERVED THAT THE ARCHAIC NATURE OF THIS PROVISION HAD BEEN ADDRESSED IN THE 1972 CONSULTATIONS. PAKISTAN TOOK THE POSITION THAT THE PROVISIONS OF ARTICLE X(D) WERE NECESSARY CONSIDERING THE DIFFERENCE IN THE MANNER THE ROUTES WERE DESCRIBED IN THE ANNEX.

(6) THE PAKISTAN DELEGATION PUT FORWARD CERTAIN POSSIBLE ALTERNATIVES WITH REGARD TO THEIR REQUEST FOR A TRANSPACIFIC ROUTE. THE US DELEGATION INDICATED A WILLINGNESS TO EXAMINE ANY PROPOSALS THAT MIGHT BE PRESENTED, AND REAFFIRMED A READINESS TO CONSULT IN THE FUTURE
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 224058

UPON REQUEST. INGERSOLL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AVIATION AGREEMENTS, NEGOTIATIONS, AIR ROUTES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE224058
Document Source: CORE
Document Unique ID: 00
Drafter: WBCOBB:TP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740289-0706
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741054/aaaaburf.tel
Line Count: 155
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAR 2002 by chappeld>; APPROVED <05 FEB 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - BILATERAL NEGOTIATIONS
TAGS: EAIR, PK
To: ISLAMABAD
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005